

We present to you a helpful updated example of the Apple PESTEL analysis so you can better understand the relevance and uses of the PESTEL framework. Let's go!

## **Apple overview:**

Apple has become one of the world's largest and most successful American companies. It focuses on creating and promoting cutting-edge software, tablets, smartphones, and desktops.

The [Apple corporation](#), often known as the apple brand, has grown and developed significantly since its founding in 1976 due to enormous investments in cutting-edge technologies.

Here is a brief description of Apple:

## **PESTEL analysis of Apple inc 2022**

We learned the following information about Apple and its international environment from our literature study on the company and the market for new technologies.

Let's dive into the details of the PESTEL analysis of Apple company in 2022:

### **Political factors**

China is the world's factory, and the American brand Apple is no exception. As a result of the political and economic war between China and the United States, the U.S. government has set high taxes on imports from China, which has increased the overall cost of imported Apple products.

Current and future political conflicts between these two big countries may negatively impact Apple's margins and business performance. Note that many of Apple's sales come from the Chinese market!

Otherwise, Europe also has conflicting relations with some large companies in taxation, especially with the GAFA (Google, Amazon, Facebook, and Apple).

This is a severe threat to the Apple brand because it could face obstacles to marketing and distribution in the countries of the European Union.

Thus, Apple depends to a large extent on free trade agreements for products and goods. The North American Free Trade Agreement (NAFTA), the European Union Free Trade Agreement (EUFTA), the Southern Common Market (MERCOSUR), and the Asia-Pacific Economic Cooperation (APEC) are essential to Apple's international development.

Any changes to these agreements and political upheaval will impact Apple's business performance either positively or negatively.

### **Economic factors**

Let's start with the threats to Apple's global economic environment!

An economic crisis now marks the global economic environment due to the negative impacts of the Covid-19 health crisis on the purchasing power of consumers and the economic growth of companies and countries.

Almost all companies have been impacted by the harmful effects of this global economic crisis. And Apple is no exception.

At the onset of the health crisis, these companies saw their sales and profits decline due to the confinement of populations, mass layoffs of employees, and rapidly increasing unemployment.

Thus, Apple's financial and economic performance is impacted by fluctuations in the exchange rates of major currencies worldwide. Let's never forget that the Apple brand is present worldwide.

Finally, the global market of new digital technologies is marked by an increasingly high competitive intensity. Being the number one company in the world is not easy, but staying on top for a long time is even more difficult.

Apple's various products face fierce competition, especially from Chinese and Korean companies (Samsung, Sony, and Huawei).

Regarding opportunities in the current global economic environment, we must emphasize the significant growth potential in developing countries such as Brazil, India, Pakistan, and Turkey.

Indeed, the purchasing power of consumers in emerging countries continues to increase, which has positively impacted the demand for electronic products, including computers, tablets, and smartphones.

Last but not least, the development of smartphone and laptop sales worldwide has created an ample opportunity for Apple in the containment and extension of telecommuting.

## **Social factors**

As a result of our investigation of the socio-cultural environment, we have identified many opportunities for Apple and threats.

Today's computer and other mobile device users are increasingly young. As a result, computers and digital tools have become a must-have.

The characteristics of Generation Z, also called digital natives, represent a considerable growth potential for the Apple brand. It is an ultra-connected generation!

However, Generation Z is very demanding and zealous, constantly looking for innovative solutions and new experiences. So, this can be a potential threat to the sustainability of Apple company.

Also, we must note that the positive effects of globalization have led to the standardization of consumer habits and lifestyles of the global consumer.

Everyone wants to have a smartphone, a laptop, and a smartwatch!

Another huge opportunity lies in the constant desire of consumers to equip themselves with electronic products. We are seeing an increased global consumer appetite for innovative electronic products: intelligent cars and smart appliances. Etc.

Thus, Apple can easily convince consumers of the added value of these innovative products.

## **Technological factors**

Like social factors, technological factors always positively influence the activities and performance of the Apple brand.

The growing use and rapid evolution of computers are vital elements in the development of the American company.

The Apple market is characterized by rapid technological advancement. In the world of new technologies, technological acceleration represents an excellent opportunity for companies wishing to make the most of technology.

Apple is an excellent example of this with its innovative products. In short, Apple operates in a market where innovation is widespread and rapid.

It can be both a threat if the company misses a significant innovation and also a great opportunity if, on the contrary, it is at the origin of this innovation.

## **Environmental factors**

Today, all businesses must comply with the regulations and guidelines set by the governments and NGOs addressing ecology and the environment. Apple is not exempt from these strict regulatory requirements, which sometimes harm businesses' economic success.

Internal Apple sources claim that Apple is dedicated to using as much renewable energy as possible in its buildings and data centers and that the company is constantly working to lower its carbon footprint

## **Legal factors**

Due to Apple's presence in worldwide markets, company management has to consider the rules and regulations of each country that Apple is targeting.

New consumer data and information protection rules, particularly in European countries, also apply to American brands.

Let's now discuss the negative consequences of counterfeiting. In fact, the reputation of the Apple brand suffers significantly due to the fraudulent use of the brand image to market fake goods.

Because most emerging countries neglect intellectual property and industrial property laws, many users consider the counterfeit device a poor-quality product manufactured by Apple.

Due to the rising importance of user privacy, the increasing smartphone tracking poses a possible severe risk to smartphone manufacturers like Apple.

Therefore, businesses that don't conduct appropriately and sincerely risk declining their brand image.

Apple could control the tracking that programs do with users thanks to the iOS 14.5 update released this year. We may conclude that by meeting the needs of its customers, the Apple brand was able to take advantage of this potential threat.

We should also notice the rise in class action lawsuits against Apple recently. These acts negatively impact the company's sales, reputation, and brand image.

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